

**OFFICIAL PROCEEDINGS OF THE BOARD OF  
TRUSTEES  
CITY OF LANSING  
EMPLOYEES RETIREMENT SYSTEM -Updated**

Regular Meeting  
City Council Conference Room  
10th Floor, City Hall  
Lansing, MI

June 18, 2015  
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:38 a.m.

Present: Dedic (8:42), McCaffery, Munroe, D. Parker, M. Parker, Wood – 6  
Absent: Trustee Bernero,, McIntyre

Others: Angela Bennett, Karen E. Williams, Finance Department; Attorney Kenneth Lane, Clark Hill (representing the City Attorney's Office).

It was moved by Trustee Wood and supported by Trustee Mark Parker to approve the Official Minutes of the Employees' Retirement System Board Regular Meeting of May 14, 2015.

Adopted by the following vote: 5 - 0

It was moved by Trustee Wood and supported by Trustee Parker to approve the Official Minutes of the Joint Employees' Retirement System Board and the Police and Fire Retirement System Board Regular Meeting of May 14, 2105.

Adopted by the following vote: 5 - 0

There were no public comments.

Trustee Mark Parker introduced Laurel McDevitt, Dewpoint project manager who replaced Dawn Polihonki who retired. Ms. McDevitt discussed her experience as a senior manager, and her work with other software implementation and her previous work with municipalities and government agencies.

Trustee Dedic arrived to the meeting.

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Secretary's Report. 1 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 295. Total deferred: 68. 1 death(s), Jerome R. Droste, (Public Service/UAW, retired 8/2/1977), died 6/2/2015, no beneficiary. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of June 2015, amounted to \$1,956,962.17. Total retirement checks printed for the ERS System: 911. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

Trustee McCaffery noted that Mr. Droste was married and inquired if the beneficiary nomination could be amended.

Karen Williams explained that at the time of Mr. Droste's retirement, he selected a straight life benefit and did not name a beneficiary for his pension benefits. The pension selection and beneficiary nomination are irrevocable after retirement.

It was moved by Trustee Wood and supported by Trustee Dedic to approve the following requests for Regular Age & Service Retirement:

Leslie M. Cooper (Public Service/Teamster), 11 years, 7 months of service credits, age 57, effective April 25, 2015. (Non Duty Death)

Karen Williams explained the provision of non-duty death and informed the Board that the spouse was named as the Option A beneficiary.

Adopted by the following vote: 6 – 0

It was moved by Trustee Dedic and supported by Trustee Munroe to approve the following requests for Regular Age & Service Retirement:

Michael A. Louth (Parks/UAW), 16 years, 5 months of service credits, age 58, effective June 1, 2015. (From Deferred)

Adopted by the following vote: 6 - 0

There were no requests for duty disability retirements.

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Ms. Williams reported that a letter was sent to Applicant #2014 – E0619 requested additional material per the applicant with the Medical Director's request. The applicant has been unable to provide the requested data.

Attorney Ken Lane opined that if there is no response to the request for additional material, the application would be considered withdrawn.

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There were no requests for refunds of accumulated contributions

The Employees Retirement System Board noted that Trustee McIntyre is an ex-officio member that does not need to be excused.

Trustee Mark Parker provided an oral report for his attendance at the MAPERS Spring Annual Conference. Trustee Parker detailed the workshop he attended. He discussed problems of different municipalities such as the city of Detroit. Trustee Parker also discussed other workshops that reviewed correlated assets, equity/bonds and asset allocation.

Attorney Ken Lane provided a review of the legislative breakfast held at MAPERS. He discussed Senate Bill 102 that focused on state teachers. Attorney Lane also discussed employees that retire and come back as a contract employee. Issues arise if a person gets a pension, but continues to work the exact same job and hours. During one of the workshops, the moderator stated this situation can be problematic and violate the IRS code if specific contracts are not in place. Attorney Lane recommended that Employees Retirement System Board perform a due diligence review of the city contract provisions.

Trustee Dedic reported regarding the workshop dealing with issues from the Michigan prospective at the MAPERS Conference.

Trustee Dennis Parker added his report and discussed the Workshop "Kentucky Fried Pension that discussed funding issues with different municipalities.

Trustee Wood recommended having a Joint Committee of the Whole meeting with both Retirement Board to learn about the pension plans and the work that the Boards are doing on behalf of the retirement systems.

Trustee Dedic suggested legal counsel research HB4052 and inquired about the City's position on the bill. Trustee Dedic stated that the bill could strip local and affect the City.

Trustee Wood reported that City Council has plans to take a position opposing HB 4052 and Trustee Wood have plans to send letters to every senator expressing the position on HB 4052.

The Employees Retirement System discussed the implications of SB 28 and that it may affect union employees being allowed during work day to attend trustee meetings.

Trustee Wood stated that she believed members should receive release time.

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Ken Lane will look at the impact of the bills and provide an update on the legislative issues.

Karen Williams reported that the Employees Retirement Board discussed due diligence visits in the fall. Ms. Williams indicated once a decision had been made, the visits would need to be arranged in coordinate with Asset Consulting Group (ACG). ACG recommended due diligence visits to Northern Trust and William Blair.

Attorney Lane did not have a Retirement Ordinance update.

Attorney Lane distributed a copy of the revised Investment Policy. Attorney Lane also discussed the Northern Trust settlement. The settlement administrator will determine the amount that will be received by the Employees Retirement System Board.

Attorney Lane explained that the settlement is not based upon any fraud. The lawsuit claims that Northern Trust could have made better investment choices within in its direct securities lending program.

Attorney Lane also discussed an amended election policy that takes into account the re-organization of City Departments. The current election policy has three employee elected positions from the following departments: Public Service; Parks, Planning and Neighborhood Development; and City Hall. The Employees Retirement System Board temporarily suspended the rules to allow two members of Public Service to serve on the Board. The Public Service Department has twice as many employees as other departments.

Trustee Wood recommended a review of the Ordinance to review the language that designates elected members.

Attorney Lane discussed that the Policy would govern grey areas not addressed in the Retirement Ordinance.

Trustee Munroe expressed concern about having balance on the Board, when re-organization changes membership in departments.

Trustee Dedic suggested have three at-large employee trustees with a City Wide vote

Attorney Ken Lane reported that the Private Advisors contract had been reviewed and was ready for signatures and a July 1, 2015 funding.

Ken Lane reported that the Police and Fire Retirement Board had voted to extend the deadline for the actuarial data exchange between the Finance Department and Boomershine Consulting Group.

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Ms. Angela Bennett requested additional time to provide the financial data to the actuary. She reported that the demographic information had been sent, but the financial data had been delayed due to priorities with the Tegrity software implementation and staff shortage.

It was moved by Trustee Wood and supported by Trustee Dedic to extend the Annual Report Policy deadline to transfer data from Finance Department to Boomershine Consulting Group.

Adopted by the following vote: 6 – 0.

Ms. Bennett noted that a main concern of Plan funding is how to address the issues of the City's continue ability to plan future contributions in the budget.

Ms. Williams presented the Quarterly Expenses Report and Securities Lending Report for the month of May 2015.

Trustee McCaffery announced his retirement from the Employees' Retirement System Board.

The Employees Retirement Board thanked Trustee McCaffery for his dedicated years of service.

It was moved by Trustee Wood and supported by Trustee Mark Parker to adjourn the Employees Retirement System Board meeting.

Adopted by the following vote: 6 – 0.

The meeting adjourned at 9:43 a.m.

Minutes approved on \_\_\_\_\_

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Angela Bennett, Secretary  
Employees Retirement System

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Dennis R. Parker, Chairperson  
Employees' Retirement System